REMARKS

Claims 1-47 were examined. Claims 1-47 were rejected. Claims 1, 11, 23, 24, 29 and 36 have been amended. Claims 1-47 remain pending in this application.

The Examiner has rejected claims 11-19, 22-25, 27-33, 35-44 and 47 are rejected under 35 U.S.C. § 102(e) as being anticipated by Acres. Claims 1, 2 and 4-10 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Bell in view of Acres. Claim 3 is rejected under 35 U.S.C. § 103(a) as being unpatentable over Bell and Acres in view of Bergeron and Pease. Claims 20, 21, 26, 34, 45 and 46 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Acres in view of Bergeron and Pease.

In order to more clearly define the invention, applicant has amended claims 1, 11, 23, 24, 29 and 36.

Claims 11-19, 22-25, 27-33, 35-44 and 47

Newly amended independent claim 11 recites in pertinent part, "… at least one gaming machine … arranged to detect when a jackpot having a value greater than a threshold amount is won …; wherein the interactive network enables paying out the value of the jackpot to a United States-taxable player immediately after the player wins credits over the threshold amount …." Newly amended independent claims 23, 24, 29, and 36 contain similar recitations.

Applicant respectfully points out that for a reference to anticipate a claim, it must disclose or suggest every limitation recited in that claim. Acres does not disclose or suggest a gaming machine which detects when a <u>jackpot having a value</u> greater than a threshold is won wherein the interactive network enables paying out <u>the value of the jackpot</u> immediately after the player wins credits over the threshold amount, as recited in newly amended claims 11, 23, 24, 29 and 36.

Instead, Acres always withholds tax (specifically 25%) from any wins over a threshold amount (i.e. $1200).

With respect to Acres, Applicant respectfully points out that a reference must be considered as a whole, and cannot be dissected to extract isolated teachings. The Examiner

13

contends that, "Acres clearly states that Acres withholds only those amounts which are absolutely required by law." However, Applicant cannot find any such teaching in Acres, and Examiner provides no citation of the location of that teaching in Acres.

The Examiner cites two sentences from col. 6, lines 59-63, stating, "Acres teaches that, 'The payment amount is determined by the amount won and the withholding amount _if any_. If a withholding amount is specified, it is deducted from the amount paid. _In some cases, the protocol will not contain such a command_.'" (emphasis in original). However, this is only a small quote from four paragraphs. The pertinent part of these four paragraphs is reproduced below in order to provide the entire context for the sentences given by the Examiner.

> When a jackpot and any associated bonus are awarded, the total bonus amount is detected by the MCI 50 of the associated gaming machine (step 82). If the award exceeds a preestablished [sic] threshold 5 such as the $1200 W2-G threshold set by the IRS (step 84), then the machine locks up (step 86) to prevent play of the primary game and award of the bonus. ....
> If the amount exceeds the threshold, a first signal is sent from the gaming machine over the network to any of the 15 bonus servers 42,44,46 handling the W2-G bonus duties. This first signal indicates either the pay table award or the total bonus amount won and can also include the identity of the player playing the winning gaming machine. In response to receiving the first signal, the bonus server looks up the 20 corresponding player record (step 88) … to determine whether that player record is complete (step 90). …. If the record is complete, 25 a W2-G document is generated (step 94) using information from the record and the bonus amount. …. Once it is determined that the player record is complete 30 enough to satisfy IRS regulations, a second signal is send back to the gaming machine's MCI 50 authorizing payment (step 96) of an adjusted bonus amount. Under the preferred embodiment of the invention, this adjusted amount is calculated … by taking into account the bonus amount originally won and any applicable tax withholding prescribed by IRS regulations (step 98). Adjusting for taxes yields a reduced amount.
> In the preferred embodiment of the invention, this reduced amount is awarded directly at the machine (step 85) …. Upon receipt 45 of the authorization signal, the game is reset and play can continue in the normal manner (step 100)….
> Once the amount to be paid is determined, the casino can program the system … to take one of several actions:

14

1. Immediately approve the award and make payment … In this case, a payment authorization message is sent back through the system to the winning game's MCI 50 (FIG. 2). The MCI then sends a message to the game to add the appropriate number of credits to the game and clear the game for normal operation by sending the appropriate command. The payment amount is determined by the amount won and the withholding amount if any. If a withholding amount is specified, it is deducted from the amount to be paid. In some cases, the protocol will not contain such a command. In those situations, the MCI can include an electrical output device (not shown), typically an electro-65 mechanical relay, that is connected across the game reset switch. This contact closure simulates the turning of the keyswitch by a person and causes the game to be cleared again for normal operations.   (emphases added)

Referring also to Figure 3 (the only flow chart in Acres), in block 84 a check is made if the bonus is greater than $1200. If not, i.e. bonus less than $1200, the bonus is awarded to the gaming machine in block 85 and the game is played again in block 80. If the bonus is greater than $1200, then a sequence of blocks (86, 88, 90 92, 94, 96, 98 and 100) are performed leading to block 85. In step 98, the bonus is adjusted according to tax codes. ("Under the preferred embodiment of the invention, this adjusted amount is calculated … by taking into account the bonus amount originally won and any applicable tax withholding prescribed by IRS regulations (step 98). Adjusting for taxes yields a reduced amount." col. 6, lines 32-38). Thus, if the award is greater than $1200, the only path for returning to step 85 (awarding the bonus to the gaming machine) is through step 98 reducing the bonus for withholding taxes.

A fair reading of the complete context of Acres reveals that Acres always deducts withholding tax from bonuses which exceed the IRS threshold ($1200 in Acres). The Examiner is correct that Acres indicates that there will be cases where no money is withheld. These are the cases where the bonus amount is less than the threshold. The sentence, "The payment amount is determined by the amount won and the withholding amount if any", occurs in the paragraph detailing with what options the casino has "once the amount to be paid is determined" (col. 6, line 47) and describes Figure 3, block 85. When viewed in the entire context given above, it states simply that, if the bonus amount is less than the threshold value, then no withholding occurs but if the bonus amount is greater than the threshold value, then withholding occurs. This

15

is especially obvious from the next sentence, which was highlighted by the Examiner, "If a withholding amount is specified it is deducted from the amount paid."

The sentence, "In some cases, the protocol will not contain such a command.", does not in any way refer to calculation of bonus amounts, reduced bonus amounts, withholding tax amounts, or any monetary entity. This sentence also occurs in the paragraph discussing the options the casino has "once the amount to be paid is determined". The command referred to is a command from the MCI to the gaming machine to award an amount to the gaming machine and to reset it to allow regular game play: "The MCI then sends a message to the game to add the appropriate number of credits to the game and clear the game for normal operation by sending the appropriate command. .... In some cases, the protocol will not contain such a command." (col. 6, lines 56-63). The remainder of the paragraph describes an exemplary apparatus for simulating turning of a keyswitch by a person to clear and reset the game, thus simulating such a command.

The Examiner also contends that these arguments have been considered by the Board and rejected. Applicant respectfully disagrees. On page 12 of the Decision on Appeal, the board describes an example of the operation of Acres. "If a player won a jackpot of $10,000 on a slot machine on a wager of $10.00, this amount would exceed the W-2G threshold amount of $1200 for the withholding of taxes (Finding of Fact 1.) The percentage of withholding would be 25%. (Finding of Fact 2)." The jackpot value ($10,000) and identity of the player is sent to the central server. "If the player's record is complete, the network can immediately approve the jackpot and make payment to the player. The amount of winnings paid to the player will be the amount of the jackpot less the amount to be withheld. With the above example, the winnings paid to the player would be $7500." (emphasis added). A message is sent to the slot machine to "add the appropriate number of credits to its credit meter, in this case $7500 worth of credits." (emphasis added) The Board has quite clearly agreed with the Applicant that Acres does not credit the full value of any jackpot over the threshold to the player, but instead withholds taxes from such a jackpot.

Consequently, there is no disclosure or suggestion in Acres that the full amount of any bonus greater than the threshold be awarded to the player. Applicant continues to request that the Examiner conform to the findings of the Board.

The Board continued, "The claim [at issue during the appeal] recites enabling paying out 'winnings,' it does not require that all winnings must be paid out to the player." This is an acknowledgement that had the claim-at-issue recited requiring that all winnings must be paid out to the player, a different result might have been reached (otherwise why include such a sentence). Applicant has subsequently included various language attempting to state that all winnings are paid out to the player, and no taxes are withheld from jackpots over the threshold, as suggested by the Board. Newly amended independent claims 11, 23, 24, 29 and 36, recite that when a jackpot having a value greater than a threshold is won, the interactive network enables paying out the value of the jackpot immediately after the player wins credits over the threshold amount.

Because Acres does not disclose or suggest every limitation recited in independent claim 11, it cannot be said to anticipate claim 11. Claims 11, 23, 24, 29 and 36 are therefore deemed allowable over Acres. Claims 12-19 and 22, dependent from claim 11, and further defining the invention recited in claim 11; claims 25, 27 and 28, dependent from claim 24 and further defining the invention recited in claim 24; claims 30-33 and 34, dependent from claim 29 and further defining the invention recited in claim 29; and claims 37-44 and 47, dependent from claim 36 and further defining the invention recited in claim 36 are all deemed allowable over Acres for the same reasons given above. Applicant respectfully requests that the Examiner reconsider and withdraw the rejection of claims 11-19, 22-25, 27-33, 35-44 and 47.

Claims 1, 2 and 4-10

Claim 1 recites in pertinent part, "… enabling paying out of the value of the jackpot to the United States-taxable player immediately after the player wins credits over the threshold amount subject to immediate cash out …." Applicant points out that the term 'pay out', or 'paying out', is intended to refer to the crediting of the player with amounts won due to the operation of the gaming machine. The term 'cash out' is intended to refer to the paying of a player with cash as that term is normally used. For example, most slot machines include a "cash

17

out" button to initiate this function. That is, coin currency (pennies, nickels, dimes, quarters, etc.), paper currency (dollar bills, five dollar bills, etc.), credit slips which the player may redeem for currency as just described at a cashier booth, or any other method of ultimately providing currency to the player.

Neither Bell nor Acres discloses nor suggests a method which enables paying out of the value of the jackpot to the player immediately after the player wins credits over the threshold amount <u>subject to immediate cash out</u> as is recited in newly amended independent claim 1.

Instead, Bell discloses a system in which jackpots over the threshold are monitored on an IRS win meter 304 (Figure 4). When a player wins a jackpot having a value greater than the threshold, the value of the jackpot is placed in, or increments the value in the IRS win meter 304. The player may use the value in the IRS win meter 304 to fund further bets. However, this value is not subject to immediate cash out, as recited in newly amended claim 1. Instead, when the player wishes to cash out, the value stored in the IRS win meter 304 is checked. If there is a positive value, then a W-2G must be generated specifying the amount in the IRS win meter 304. This may be done by an attendant or printed out on a W-2G form at a convenient location.

Acres does disclose a player tracking device having a central server and a networked player tracking system. However, as described above, and confirmed by the Board, Acres does not enable pay out of the value of a jackpot, but instead withholds taxes (25% in Acres) from the jackpot and only enables payout of the remainder to the player.

Even if combined, as suggested by the Examiner, the resulting combination would not include enabling paying out of the value of a jackpot <u>subject to immediate cash out</u>, as recited in newly amended independent claim 1. Instead, the combination would be a system including an IRS win meter as disclosed in Bell implemented on a gaming machine which is networked with a central server on which a player tracking system is installed as disclosed in Acres. Upon a desire to quit and cash out, the system would require an attendant to access the amount remaining on the IRS win meter 304 and to generate a W-2G form, or print information on a W-2G form at a convenient location using information derived from the player tracking system.

The combination of Bell and Acres as proposed by the Examiner does not render newly amended claim 1 unpatentable for the reasons given above. Consequently, newly amended independent claim 1 is deemed allowable. Claims 2 and 4-10, dependent from claim 1 and further defining the invention recited in claim 1 are deemed allowable for the same reasons given above for claim 1. The Examiner is respectfully requested to reconsider and withdraw this rejection.

Claim 3

Claim 3, dependent from claim 2, which is dependent from claim 1, recites in pertinent part, "… enabling a pre-programmed gaming machine to play an uninterrupted session, even if a reportable jackpot is won, [by]… inserting an agent card; selecting uninterrupted play from a menu screen on a display; and inserting a player card."

None of the references cited by the Examiner disclose or suggest enabling a pre-programmed gaming machine to play an uninterrupted session even if a reportable jackpot is won. Because they do not disclose or suggest enabling a pre-programmed gaming machine to play an uninterrupted session even if a reportable jackpot is won, then cannot disclose or suggest that this be done by inserting an agent card; selecting uninterrupted play from a menu screen on a display; and inserting a player card, as recited in claim 3.

Instead, a gaming machine according to Bell is pre-programmed with an IRS win meter 304 (Figure 4). There is no disclosure or suggestion that this mode of operation in such a machine be specially enabled via use of an agent card and selection of an item on a menu screen, as recited in claim 3. Similarly, a gaming machine in a system according to Acres is pre-programmed to monitor the value of jackpots and if a jackpot is won greater than the threshold, to withhold taxes (25%) from the jackpot and enable payout of the remainder to the player. There is no disclosure or suggestion that this mode of operation in a gaming machine in the system be specially enabled via use of an agent card and selection of an item on a menu screen, as recited in claim 3.

Pease discloses a lotto system. In the lotto system of Pease, if an jackpot greater than a threshold amount is won by a player, it is noted in the system and when the player comes to the

cashier to cash out, the cashier can prepare a W-2G form and withhold funds if necessary. There is no disclosure or suggestion in Pease that the lotto machine 8 (Figure 2) operate in a reduced interruption session. In fact, in a lotto setting, such a mode makes no sense. However, even if such a mode is implemented, there is no disclosure or suggestion that this mode of operation in the lotto machine 8 be specially enabled via use of an agent card and selection of an item on a menu screen, as recited in claim 3.

Bergeron discloses a remote betting system for lottery games which includes remote lottery machines. Jackpots are handled by attendants at the location of the lottery machine. There is no disclosure or suggestion that the remote lottery machine operates in a reduced interruption mode. In the environment of a remote lottery machine such a mode makes no sense. However, even if such a mode is implemented, there is no disclosure or suggestion that this mode of operation in the lottery machine 60 be specially enabled via use of an agent card and selection of an item on a menu screen, as recited in claim 3.

Even if combined as suggested by the examiner, the resulting combination would not include a gaming machine in which a reduced interruption operational mode is enabled by inserting an agent card and selecting uninterrupted play from a menu screen, as recited in claim 3. Instead, the combination would be a system including an IRS win meter as disclosed in Bell implemented on a gaming machine which is networked with a central server on which a player tracking system is installed as disclosed in Acres, and including a requirement that an authorized agent be verified by use of an agent card before performing activities which may be selected based on a menu displayed on a display device. However, because neither Bell nor Acres discloses or suggests a system in which entry into a reduced interruption mode is an option which is enabled by an agent, the resulting combination cannot include such a selection in such a menu. There is nothing in any of the references which would lead one skilled in the art to make such a mode of operation selectable by an agent.

Because none of the references, either alone or in combination, disclose or suggest a system as recited in claim 3, claim 3 is deemed allowable over those references. The Examiner is respectfully requested to reconsider and withdraw this rejection.

Claims 20, 21, 26, 34, 45 and 46

Claim 20 is dependent from claim 19, which is dependent from claim 18, which is dependent from claim 17, which is dependent from claim 15, which is dependent from newly amended independent claim 11. Claim 21 is dependent from claim 20.

Claim 26 is dependent from newly amended independent claim 24.

Claim 34 is dependent from claim 33, which is dependent from newly amended independent claim 29.

Claim 45 is dependent from claim 44, which is dependent from claim 43, which is dependent from claim 42, which is dependent from claim 40, which is dependent from newly amended independent claim 36. Claim 46 is dependent from claim 45.

Claim 17 recites in pertinent part, "… the at least one gaming machines is in electronic communication with a card reader capable of reading information encoded on a player card ." Claim 18 recites in pertinent part, "… the at least one gaming machine is in communication with a keypad." Claim 19 recites in pertinent part, "… the protocol for reduced interruption game play is capable of being activated by an enabling event." and claim 20 recites in pertinent part, "… the enabling event includes insertion of an agent card into the card reader, selection of reduced interruption play using the keypad, and insertion of a player card into the card reader." Claim 45, and the claims from which it depends, include similar recitations.

Claim 26 recites in pertinent part, "… allowing the player to play in a reduced interruption session on the gaming machine comprises: … inserting an agent card into a card reader in communication with the gaming machine; entering enabling information into a keypad in communication with the gaming machine; removing the agent card from the card reader; introducing the player card into the card reader; sending enabling information from the gaming machine to the central computer; receiving a return signal from the central computer confirming authorization to participate in uninterrupted play …."

Claim 33 recites in pertinent part, "… allowing the player to participate in a reduced interruption gaming session comprises: enabling a pre-programmed gaming machine to execute a protocol putting the gaming machine in to uninterrupted mode." Claim 34 recites in pertinent part, "… enabling a pre-programmed gaming machine to execute a protocol putting the gaming

21

machine in to uninterrupted mode comprises: inserting an agent card; selecting uninterrupted play from a menu screen on a display; and inserting a player card."

In essence, the claims above relate to a networked system of gaming machines in which a reduced interruption mode of operation of at least one of the gaming machines may be enabled. In the claims above, this mode of operation is enabled by inserting an agent card into a card reader, selecting reduced interruption play using either a keypad or menu, and inserting a player card into the card reader.

As described above, Acres does not disclose or suggest a system in which the protocol for reduced interruption game play is capable of being activated by an enabling event. Instead Acres is preprogrammed to operate in the mode described in Acres. There is no disclosure or suggestion in Acres of activation of, or an enabling event for, entering the reduced interruption operational mode. Further as described above, Pease relates to a lotto machine and Bergeron relates to a remote lottery machine. The concept of reduced interruption play makes no sense in either Pease or Bergeron. Because none of the references discloses or suggests a system in which the protocol for reduced interruption play is enabled, they cannot disclose or suggest that such a protocol is capable of being activated by an enabling event, nor that the enabling event includes insertion of an agent card into the card reader, selection of reduced interruption play using the keypad and insertion of a player card into the card reader, as recited in claims 20, 26, and 45. Similarly, these references cannot disclose or suggest that such a protocol may be enabled by inserting an agent card, selecting uninterrupted play from a menu screen on a display, and inserting a player card, as recited in claim 34.

Consequently claims 20, 26, 34 and 45 are deemed allowable over these references for the reasons given above. Claim 21, dependent from claim 20 and further defining the invention recited in claim 20, and claim 46 dependent from claim 45 and further defining the invention recited in claim 45, are deemed allowable for the same reasons given for claims 20 and 45 respectively. The examiner is respectfully requested to reconsider and withdraw the rejection of claims 20, 21, 26, 34, 45 and 46.

In view of the foregoing amendments and arguments, Applicant respectfully submits that the application is in condition for allowance. The Examiner is respectfully requested to allow this application to advance to issue.

Respectfully submitted,

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